fiserv.

2022 Annual Meeting of Shareholders

Appendix

Forward-Looking Statements

During the meeting, we may make “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those that express a plan, belief, expectation, estimation, anticipation, intent, contingency, future development or similar expression, and can generally be identified as forward-looking because they include words such as “believes,” “anticipates,” “expects,” “could,” “should” or words of similar meaning. Statements regarding our future financial performance or that describe our future plans, objectives or goals are also forward-looking statements. Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that could cause our actual results to differ materially include, among others, the following, many of which may continue to be amplified by the COVID-19 pandemic: the duration and intensity of the COVID-19 pandemic, including how quickly the global economy recovers from the impact of the pandemic; governmental and private sector responses to the COVID-19 pandemic and the impact of such responses on us; the impact of the COVID-19 pandemic on our employees, clients, vendors, supply chain, operations and sales; our ability to compete effectively against new and existing competitors and to continue to introduce competitive new products and services on a timely, cost-effective basis; changes in customer demand for our products and services; the ability of our technology to keep pace with a rapidly evolving marketplace; the successful management of our merchant alliances, some of which are not controlled by us; the impact of a security breach or operational failure on our business including disruptions caused by other participants in the global financial system; the failure of our vendors and merchants to satisfy their obligations; the successful management of credit and fraud risks in our business and merchant alliances; changes in local, regional, national and international economic or political conditions and the impact they may have on us and our customers; the effect of proposed and enacted legislative and regulatory actions affecting us or the financial services industry as a whole; our ability to comply with government regulations and applicable card association and network rules; the protection and validity of intellectual property rights; the outcome of pending and future litigation and governmental proceedings; our ability to successfully identify, complete and integrate acquisitions, and to realize the anticipated benefits associated with the same; the impact of our strategic initiatives; our ability to attract and retain key personnel; volatility and disruptions in financial markets that may impact our ability to access preferred sources of financing and the terms on which we are able to obtain financing or increase our costs of borrowing; adverse impacts from currency exchange rates or currency controls; changes in corporate tax and interest rates; and other factors included in “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021 and in other documents that we file with the Securities and Exchange Commission, which are available at http://www.sec.gov. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements, which speak only as of this meeting. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after this meeting.

Non-GAAP Financial Measures

This appendix includes the following unaudited non-GAAP financial measures: "adjusted revenue," "adjusted revenue growth," "organic revenue," "organic revenue growth," "adjusted operating income," "adjusted operating margin," "adjusted operating margin expansion," "adjusted net income," "adjusted earnings per share," and "adjusted earnings per share growth." Management believes that adjustments for certain non-cash or other items and the exclusion of certain pass-through revenue and expenses should enhance shareholders' ability to evaluate the company's performance, as such measures provide additional insights into the factors and trends affecting its business. Additional information about these measures and reconciliations to the nearest GAAP financial measures are provided in this appendix.

Adjusted Revenue and Adjusted Operating Income

	FY.21	FY.20
Revenue	$ 16,226	$ 14,852
Adjustments:		
Output Solutions postage reimbursements	(860)	(864)
Deferred revenue purchase accounting adjustments	27	46
Merchant Services adjustment [1]	—	(126)
Adjusted revenue	$ 15,393	$ 13,908
Operating income	$ 2,288	$ 1,852
Adjustments:		
Merger and integration costs	861	902
Severance costs	81	108
Amortization of acquisition-related intangible assets	1,982	2,024
Merchant Services adjustment [1]	—	(59)
Gain on sale of businesses	—	(464)
Adjusted operating income	$ 5,212	$ 4,363
Operating margin	14.1 %	12.5 %
Adjusted operating margin	33.9 %	31.4 %
Adjusted operating margin expansion	250 bps	

$ in millions, unaudited. Operating margin percentages are calculated using actual, unrounded amounts.

See page 3 for information regarding non-GAAP financial measures.

[1] Represents an adjustment primarily related to the company's joint venture with Bank of America. The Banc of America Merchant Services joint venture (BAMS) was dissolved effective July 1, 2020. The company owned 51% of BAMS and, through June 30, 2020, BAMS' financial results were 100% consolidated into the company's financial statements for GAAP reporting purposes. In connection with the dissolution of the joint venture, the company received a 51% share of the joint venture's value via an agreed upon contractual separation. In addition, the company will continue providing merchant processing and related services to Bank of America for its merchant clients. This non-GAAP adjustment reduces adjusted revenue and adjusted operating income by the joint venture revenue and expense that was not expected to be retained by the company upon dissolution and is partially offset by an increase to processing and services revenue.

Adjusted and Organic Revenue

	FY.21	FY.20	Growth
Revenue	$ 16,226	$ 14,852	9%
Output solutions postage reimbursements	(860)	(864)	
Deferred revenue purchase accounting adjustments	27	46	
Merchant Services adjustment [1]	—	(126)	
Adjusted revenue	$ 15,393	$ 13,908	11%
Currency impact	6	—	
Acquisition adjustments	(39)	—	
Divestiture adjustments	(278)	(298)	
Organic revenue [2]	$ 15,082	$ 13,610	11%

$ in millions, unaudited. Revenue growth is calculated using actual, unrounded amounts.
See page 3 for information regarding non-GAAP financial measures.

[1] Represents an adjustment primarily related to the company's joint venture with Bank of America. The Banc of America Merchant Services joint venture (BAMS) was dissolved effective July 1, 2020. The company owned 51% of BAMS and, through June 30, 2020, BAMS' financial results were 100% consolidated into the company's financial statements for GAAP reporting purposes. In connection with the dissolution of the joint venture, the company received a 51% share of the joint venture's value via an agreed upon contractual separation. In addition, the company will continue providing merchant processing and related services to Bank of America for its merchant clients. This non-GAAP adjustment reduces adjusted revenue and adjusted operating income by the joint venture revenue and expense that was not expected to be retained by the company upon dissolution and is partially offset by an increase to processing and services revenue.

[2] Organic revenue growth is measured as the change in adjusted revenue (see page 4) for the current period excluding the impact of foreign currency fluctuations and revenue attributable to acquisitions and dispositions, divided by adjusted revenue from the prior period excluding revenue attributable to dispositions. Revenue attributable to dispositions also includes current and prior period revenue associated with merchants retained by the company from the Banc of America Merchant Services joint venture through the one year period following the joint venture's July 1, 2020 dissolution date, and transition services revenue within Corporate and Other. Currency impact is measured as the increase or decrease in adjusted revenue for the current period by applying prior period foreign currency exchange rates to present a constant currency comparison to prior periods.

Adjusted Net Income and Adjusted EPS

	FY.21	FY.20
GAAP net income attributable to Fiserv	$ 1,334	$ 958
Adjustments:		
Merger and integration costs [1]	865	902
Severance costs [2]	81	108
Amortization of acquisition-related intangible assets [3]	1,982	2,024
Non wholly-owned entity activities [4]	51	94
Tax impact of adjustments [5]	(685)	(719)
Gain on sale of businesses [6]	—	(464)
Tax impact on gain on sale of businesses [5]	—	124
Discrete tax items [7]	118	(7)
Adjusted net income	$ 3,746	$ 3,020
GAAP EPS attributable to Fiserv	$ 1.99	$ 1.40
Adjustments - net of income taxes:		
Merger and integration costs [1]	0.99	1.02
Severance costs [2]	0.09	0.12
Amortization of acquisition-related intangible assets [3]	2.27	2.28
Non wholly-owned entity activities [4]	0.06	0.11
Gain on sale of businesses [6]	—	(0.50)
Discrete tax items [7]	0.18	(0.01)
Adjusted EPS	$ 5.58	$ 4.42
GAAP EPS attributable to Fiserv growth	42 %	
Adjusted EPS growth	26 %	

$ in millions, except per share amounts, unaudited. Earnings per share is calculated using actual, unrounded amounts.

See page 3 for information regarding non-GAAP financial measures.

Adjusted Net Income and Adjusted EPS (cont.)

[1] Represents acquisition and related integration costs incurred in connection with various acquisitions, primarily related to the First Data acquisition. First Data integration costs in 2021 primarily include $370 million of third party professional service fees associated with integration activities; $44 million of incremental share-based compensation, including the fair value of stock awards assumed by Fiserv; and $277 million of other integration-related compensation costs. First Data integration costs in 2020 primarily include $224 million of third party professional services fees associated with integration activities; $165 million of incremental share-based compensation, including the fair value of stock awards assumed by Fiserv; $137 million of other integration-related compensation costs; $118 million of accelerated depreciation and amortization associated with the termination of certain vendor contracts; and $124 million of non-cash impairment charges associated with the early exit of certain leased facilities. The company has completed the integration activities associated with the achievement of cost synergies related to the First Data acquisition as of December 31, 2021.

[2] Represents severance costs associated with the achievement of expense management initiatives, including those related to the First Data acquisition.

[3] Represents amortization of intangible assets acquired through various acquisitions, including customer relationships, software/technology and trade names. This adjustment does not exclude the amortization of other intangible assets such as contract costs (sales commissions and deferred conversion costs), capitalized and purchased software, and financing costs and debt discounts. See additional information on page 8 for an analysis of the company's amortization expense.

[4] Represents the company’s share of amortization of acquisition-related intangible assets at its unconsolidated affiliates, as well as the minority interest share of amortization of acquisition-related intangible assets at its subsidiaries in which the company holds a controlling financial interest. This adjustment during 2021 also includes net gains totaling $98 million related to the fair value remeasurement and sale of certain equity investments.

[5] The tax impact of adjustments is calculated using a tax rate of 23%, which approximates the company's annual effective tax rate, exclusive of the actual tax impacts associated with the gain on the sale of businesses.

[6] Represents the gain associated with the sale of a 60% interest in the Investment Services business in February 2020 and the dissolution of the Banc of America Merchant Services joint venture in July 2020.

[7] Represents certain discrete tax items, such as foreign derived intangible income tax benefits from a subsidiary restructuring and the revaluation of deferred taxes due to a change in the respective statutory tax rates in the United Kingdom and Argentina.

Additional Information – Amortization Expense

Total Amortization	**FY.21**	**FY.20**
Acquisition-related intangible assets	$ 2,038	$ 2,133
Capitalized software and other intangibles	268	161
Purchased software	241	269
Financing costs and debt discounts	52	47
Sales commissions	97	90
Deferred conversion costs	51	34
Total amortization	$ 2,747	$ 2,734

$ in millions, unaudited.

The company adjusts its non-GAAP results to exclude amortization of acquisition-related intangible assets as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions (see corresponding adjustment on pages 6-7). The adjustment for acquired First Data software/technology excludes only the incremental amortization related to the fair value purchase accounting allocation. Management believes that the adjustment of acquisition-related intangible asset amortization supplements the GAAP information with a measure that can be used to assess the comparability of operating performance. Although the company excludes amortization from acquisition-related intangible assets from its non-GAAP expenses, management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.